

## Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00 TRSE-00

EB-11 COME-00 CIEP-02 FRB-03 AID-20 INT-08 OMB-01 L-03

CIAE-00 INR-11 NSAE-00 RSC-01 SS-20 NSC-07 PA-04

PRS-01 DRC-01 /110 W

----- 002218

O 160900Z JUL 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC NIACT IMMEDIATE 7777

INFO AMEMBASSY TEL AVIV NIACT IMMEDIATE

AMCONSUL JERUSALEM IMMEDIATE

C O N F I D E N T I A L CAIRO 5204

E.O. 11652: GDS

TAGS: SIMON VISIT: DRAFT COMMUNIQUE

REF: STATE 152239

FROM SIMON PARTY (DRAPER)

1. PARSKY AND SHER HAD INFORMAL RPT INFORMAL DISCUSSIONS  
BASIS DRAFT COMMUNIQUE PREPARED BY NEA. SHER MADE  
CLEAR GOE WANTED COMMUNIQUE INTER ALIA ESTABLISHING  
JOINT COMMITTEE AND SUB-COMMITTEES, BUT PARSKY MADE  
NO RPT NO ABSOLUTE COMMITMENT.

2. SIMON DELEGATION BELIEVES  
COMMUNIQUE IN ISRAEL IS DESIRABLE.

3# FOLLOWING IS DRAFT COMMUNIQUE

DISCUSSED WITH SHER:

BEGIN TEXT:

DURING THE VISIT OF UNITED STATES SECRETARY  
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OF TREASURY WILLIAM SIMON TO ISRAEL JULY 16-18, HE MET WITH

PRIME MINISTER RABIN, DEPUTY PRIME MINISTER AND FOREIGN MINISTER ALLON, FINANCIAL MINISTER RABINOWITZ, MINISTER OF TRADE AND INDUSTRY BARLEV, DEFENSE MINISTER PERES AND GOVERNOR OF THE BANK OF ISRAEL ZANBAR, AND OTHER SENIOR MEMBERS OF THE ISRAELI GOVERNMENT.

IT WAS AGREED THAT THE TALKS, HELD IN AN ATMOSPHERE OF CORDIALITY AND UNDERSTANDING, MARKED A FRUITFUL AND CONSTRUCTIVE FIRST STEP TOWARD IMPLEMENTING THE JOINT STATEMENT OF PRESIDENT NIXON AND PRIME MINISTER RABIN OF JUNE 17. SECRETARY SIMON WAS FULLY BRIEFED ON THE ISRAELI ECONOMIC SITUATION TODAY AND THE FOCUS FOR THE FUTURE AND INCLUDED ISRAELI VIEWS ON THE SUBJECTS OF LONG RANGE ECONOMIC NEEDS, THE ENCOURAGEMENT OF AMERICAN PRIVATE INVESTMENT IN ISRAEL, AND MEANS TO STRENGTHEN OUR BILATERAL ECONOMIC RELATIONS AND OTHER GOALS TO BE ACHIEVED WITHIN THE POLICIES EMBODIED IN THE JOINT STATEMENT.

THE PRIME MINISTER AND HIS COLLEAGUES DESCRIBED THE HEAVY DEFENSE BURDEN THAT ISRAEL CONTINUES TO BEAR AS IT ENDEAVORS WITH ITS NEIGHBORS TO ACHIEVE A JUST AND DURABLE PEACE IN THE MIDDLE EAST, AND THE IMPACT OF THIS BURDEN ON ISRAEL'S ECONOMY AND ITS GOVERNMENT'S EFFORTS TO BUILD A BETTER LIFE FOR ITS CITIZENS. THEY REQUESTED THAT THE FUNDING REQUIRED FOR LONG-RANGE DEFENSE PROCUREMENT AGREEMENTS BE PROVIDED AS SOON AS POSSIBLE. THE NEED FOR RAPID ECONOMIC DEVELOPMENT OF ISRAEL WAS ALSO DISCUSSED.

SECRETARY SIMON NOTED THE EXCELLENT IMPRESSION HE HAD GAINED IN THIS HIS FIRST VISIT TO ISRAEL OF THE PREVALENT DYNAMISM AND SPIRIT OF SELF-HELP EVIDENT IN ITS STRONG AND THRIVING ECONOMY. HE ASSURED THE PRIME MINISTER OF THE UNITED STATES' CONTINUING SUPPORT FOR ISRAEL'S SECURITY AND ECONOMIC DEVELOPMENT.

IT WAS AGREED THAT THE UNITED STATE AND ISRAEL WOULD ESTABLISH A JOINT COMMITTEE FOR INVESTMENT AND TRADE TO BE CHAIRED JOINTLY BY SECRETARY SIMON AND MINISTER RABINOWITZ. PARTICIPATING IN THE WORK OF THE COMMITTEE WOULD BE OTHER OFFICERS OF CABINET LEVEL FROM BOTH COUNTRIES. FOUR SUB-COMMITTEES WOULD OPERATE UNDER THE JOINT COMMITTEE COVERING ENCOURAGEMENT OF

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CAPITAL INVESTMENT, TRADE, ENERGY AND RAW MATERIALS, AND RESEARCH AND DEVELOPMENT ACTIVITIES. THE DESIRABILITY OF A U.S. ISRAEL TRADE AND INVESTMENT COUNCIL WAS DISCUSSED, TO BE COMPOSED OF PARTICIPANTS FROM THE PRIVATE SECTORS OF THE UNITED STATES. BOTH GOVERNMENTS AGREED TO EXPLORE WAYS IN WHICH SUCH A COUNCIL COULD BE ESTABLISHED.

IT WAS FURTHER AGREED THAT THE WORK OF ORGANIZING

THE SUB-COMMITTEE WTU BEGIN IMMEDIATLY IN  
PREPARATION FOR AN EARLY MEETING OF THE JOINT  
COMMITTEE NOT LATER THAN NOVEMBER. SECRETARY SIMON  
HAS INVITED MINISTER OF FINANCE RABINOWITZ TO WASHINGTON  
FOR THIS MEETING AND TO DISCUSS OTHER MATTERS  
OF COMMON INTEREST, AND MINISTER RABINOWITZ HAS  
ACCEPTED.

AT THE CONCLUSION OF SECRETARY SIMON'S  
VISIT THE PRIME MINISTER AND THE SECRETARY  
EXPRESSED

THEIR SATISFACTION THAT ALREADY, ONE MONTH AFER  
PRESIDENT NIXON'S VISIT TO ISRAEL, THE FIRMER AND  
MORE CLEARLY DEFINED STRUCTURE OF CONSULTATIONS AND  
COOPERATION ENVISAGED BY THE JOINT STATMENT  
OF JUNE 17 WAS TAKING AN EFFECTIVE FORM.  
EILTS

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## Message Attributes

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